

FILE COPY

Office - Supreme Court, U. S.

FILED

OCT 12 1945

**CHARLES ELMORE GREGG
CLERK**

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1945

No. 54

SCOTT PAPER COMPANY,

Petitioner

vs.

**MARCALUS MANUFACTURING COMPANY, INC.,
and NICHOLAS MARCALUS**

REPLY BRIEF FOR PETITIONER

GEORGE E. MIDDLETON

Counsel for Petitioner

SUBJECT INDEX

	PAGE
Respondent's Point I	1
Respondent's Point II	5

CASES CITED

Altoona Theatres v. Tri-Ergon Corp. , 294 U. S. 477 ...	3
Bresnahan v. Tripp Giant Leveller Co. , 102 Fed. 899 ...	3
Electric Machinery Mfg. Co. v. General Electric Co. , 88 F. 2d 11	3
Leeds & Catlin v. Victor Talking Mach. Co. , 213 U. S. 301	3
Mercoid Corp. v. Mid-Continent Investment Co., et al. , 320 U. S. 661	7
Nachman Spring-Filled Corp. v. Kay Mfg. Co. , 139 F. 2d, 781	7
Sola Electric Co. v. Jefferson Electric Co. , 317 U. S. 173	7
Westinghouse Electric & Mfg. Co. v. Formica Insula- tion Co. , 266 U. S. 342	4
White v. Dunbar , 119 U. S. 47	2

REPLY BRIEF FOR PETITIONER

RESPONDENT'S POINT I.

RESPONDENT insists on page 4 of his brief, and again on page 11 and elsewhere, that "At no time did respondent either attack or question the validity of his patent". Not in so many words, no. But if his defense reduces the scope of his patent to nought, as the Court of Appeals held, then the effect is the same as though he *had* attacked its validity. Respondent is playing with words. His argument lacks substance.

On pages 4 and 5 of his brief respondent criticises the District Court who found that the prior Inman patent negatives infringement (Rec. p. 6) yet "reached the rather illogical conclusion that the patent in suit was both valid and infringed". But the Court did not hold the patent valid; he simply held respondent estopped to deny its validity (Rec. p. 8). As for concluding that the patent was infringed, there was nothing illogical in that. Here again respondent is being confused by words. When Judge Smith said that the Inman patent "negatives infringement" he did not mean that the claims of the patent do not read fairly, even literally, on the accused machine, because he had just demonstrated that they do (Rec. p. 3). What he obviously meant was that in the hands of any *other* defendant the Inman patent would negative infringement because it would invalidate the infringed claims, and one cannot, in a strict legal sense, infringe an invalid claim. Respondent's difficulty arises from the fact that "infringement" may mean two different things: first, a fair reading of the claims on the accused device without regard for their validity; and second, the violation of a legal right bottomed on a valid claim. Once

this dual meaning of "infringement" is made plain, Judge Smith's conclusion is seen to be clearly logical.

On page 11 of our main brief we alluded to the fact that this Court had purported to read the second-step limitation into the one-step claims of the Formica case, pointing out that this was merely by the way; that the defendant was actually held not estopped to attack the validity of those claims added after the assignment—and in point of fact he did so with complete success. Any other interpretation of the decision, we said, would deny the very doctrine elsewhere so clearly affirmed. Respondent has, nevertheless, seized upon this incidental feature of the case and made it the cornerstone of his argument. Some limitation, he insists on page 9 of his brief, *must* be read into the claims in suit *ex post facto* so that they shall not be infringed and retain a precarious validity with respect to Inman. Respondent is one of those mistaken persons chided by this Court in *White v. Dunbar*, 119 U. S. 47, 51:

"Some persons seem to suppose that a claim in a patent is like a nose of wax which may be turned and twisted in any direction, by merely referring to the specification, so as to make it include something more than, or something different from, what its words express. The context may, undoubtedly, be resorted to, and often is resorted to, for the purpose of better understanding the meaning of the claim; but not for the purpose of changing it, and making it different from what it is. The claim is a statutory requirement, prescribed for the very purpose of making the patentee define precisely what his invention is; and it is unjust to the public, as well as an evasion of the law, to construe it in a manner different from the plain import of its terms. This has been so often expressed in the opinions of this court that it is unnecessary to pursue the subject further."

That the claims in suit are infringed when construed according to the plain import of their terms, is too clear

for argument and is not denied by respondent, who seeks eagerly for trivial limitations wherewith to vary that plain import.

Thus respondent enlarges the small differences between the accused machine and the machine of the Marcalus patent while belittling those between the accused machine and Inman. There are some trivial but unclaimed differences, it is true, between Marcalus' machine and the machine of his patent, but there are also differences of the same magnitude between the accused machine and Inman. The Court of Appeals found all three "as alike as peas in a pod" (Rec. p. 31), and so they are for all ordinary purposes. The differences which respondent notes on page 10 of his brief are refinements in Marcalus' basic combination, not covered by the claims in suit, but by others not in suit. It is well settled that each claim of a patent defines an independent invention—and each was assigned. *Leeds & Catlin v. Victor Talking Mach. Co.*, 213 U. S. 301, 319; *Altoona Theatres v. Tri-Ergon Corp.*, 294 U. S. 477, 487. Furthermore "• • • it is a settled rule of construction that the limitations of particular claims cannot be read into other claims for the purpose of avoiding infringement". *Electric Machinery Mfg. Co. v. General Electric Co.*, 88 F. 2d 11, 16, C. C. A. 2nd. See also *Bresnahan v. Tripp Giant Leveller Co.*, 102 Fed. 899, 900, C. C. A. 1st.

Respondent after conceding the "very minor" nature of the differences between the machine of the Marcalus patent and the accused machine, declares on page 11 of his brief:

"We are in no sense concerned with the *extent* of the difference, or whether or not there is a *patentable* difference between them. We are concerned only with the fact that there is a difference."

Whatever became of the old maxim *de minimis non curat lex* we wonder? It is into absurdities such as this that respondent's theory of the Formica case would lead us.

Respondent, on page 12 of his brief, complains that our theory of the case would deny him a favorable judgment "because his defense was too well established"; that had Inman proved to be less than a complete anticipation respondent had been better off. This is plausible but specious. Had respondent taken something less than the whole of his assigned invention, as defined by the claims in suit, construed according to the plain import of their terms, then he might, on showing so much to be old, argue that the claims were of limited scope and therefore not infringed. But as he has taken all, then the limiting prior art must disclose all, and when it does that it becomes anticipating prior art and may not be used by him. "The distinction may be a nice one but seems to be workable", said this Court.

On page 13 of his brief respondent writes, accusingly:

"petitioner seeks to place respondent in a sphere by himself—to isolate him from the rest of the world and deprive him of the status of a member of the 'public'—and all because he was the assignor of the patent. The argument is now reduced to the unqualified assertion that the patent in suit is *invalid* as against everyone else in the world, but it must be sustained as valid and infringed as against respondent. Of course, such an argument ignores, for want of answer thereto, the controlling language of *Westinghouse v. Formica*, supra, at page 351. * * *

But it is respondent who ignores, for want of answer thereto, the controlling language of the *Formica* case at page 349:

"As to the rest of the world, the patent may have no efficacy and create no right of monopoly; but the assignor can not be heard to question the right of his assignee to exclude him from its use."

RESPONDENT'S POINT II.

In the latter part of his brief respondent, essaying the role of *amicus humani generis*, elaborates the thesis defended in the court below that the whole doctrine of estoppel by deed as applied to the assignment of patent property should be abolished as contrary to public policy.

"Anything, regardless of its guise," declares respondent on page 15, "which, without statutory sanction, lessens or eliminates competition, or restrains trade, is adverse to the public interest. Thus, in the present case the mere fact that respondent assigned his patent to petitioner is not and cannot be made to be proper justification for depriving the public of the benefits that flow—and by the patent law were intended to flow—from the expiration of the Inman patent".

Respondent could argue with equal persuasiveness that contracts should never be enforced because to do so inevitably restrains somebody's trade and thus deprives the public of some possible benefits. "Free competition and unrestrained trade" may be, as respondent avers, "basic axioms of our National philosophy and economy", but the reasonable restraints imposed by an orderly society have pretty generally been accepted as preferable to anarchy. Besides, how can enforcing the estoppel against respondent deprive the public of the benefits that flow from the expiration of the Inman patent?

Respondent disparages the analogy between real property and a patent grant. This Court in the *Formica* case found the analogy useful, but respondent will have none of it. He writes, on page 17 of his brief:

"The only warranty of the assignment is, as in a conveyance of land, as to the *title*—the ownership—of that which is conveyed. Therefore, there appears to be neither legal nor logical justification to stretch an implied warranty as to *title* to a patent to include the *validity* thereof".

The complete answer to this criticism of the estoppel doctrine as applied to patents will be found at page 350 of the *Formica* decision, quoted on page 8 of our main brief. It is quite true that Marcalus did not warrant the validity of the patent he assigned; but then he is not sued for breach of warranty—he is sued for trespass. Marcalus made no warranties as to others, but he himself covenanted to respect the validity of the right assigned; he even agreed to aid his assignee in enforcing a proper respect for it on the part of others.

Respondent views with alarm the increase, in recent years, of instances

“where an application for patent for one invention is filed, but for some unexplainable reason the patent issues years later describing or claiming a wholly different invention, and one, usually, which the applicant never made and never represented that he had made. Under such circumstances”, respondent asks, “can there possibly be any logical or defensible ground for a doctrine which would estop the applicant-assignor from questioning or attacking the validity of such a patent?”

The answer to this resounding rhetorical question is a simple no; there is no logical or defensible ground for such a doctrine. But, happily, there is no such doctrine, or—to paraphrase a more famous rejoinder—there was none before respondent spoke. Respondent, for all his reading and quoting of *Westinghouse v. Formica*, seems to have missed the real point of that case. And what is more, this illogical and indefensible doctrine, which would extend the estoppel to inventions never made by the applicant-assignor, need not trouble us here—even had it not been repudiated by this Court twenty-one years ago. It need not trouble us here for the very good reason that the patent in suit “was allowed”, as the Court of Appeals observed, “precisely as Marcalus had filed it” (Rec. p. 24): not an *i* was dotted, not a *t* was crossed

after Marcalus had sworn to the application on which the patent was subsequently granted. The claims granted were the claims that Marcalus made, unaltered by so much as one jot or one tittle and without benefit of respondent's "psychic prognostication". We are not here concerned with some imaginary "wholly different invention" but with the identical invention Marcalus assigned, defined by the original and unexpurgated claims.

Sola Electric Co. v. Jefferson Electric Co., 317 U. S. 173, *Nachman Spring-Filled Corp. v. Kay Mfg. Co.*, 139 F. 2d, 781, and *Mercoide Corp. v. Mid-Continent Investment Co. et al.*, 320 U. S. 661, cited by respondent on pages 18 and 19 of his brief have nothing to do with the case, as his own syllabi make clear. Respondent postulates misuse of the patent in suit, then cites decisions condemning misuses. Respondent begs the question. No one denies that, "Courts of equity will withhold relief where the patentee and those claiming under him are using the patent privilege contrary to the public interest". But respondent must first find his misuse. There is no evidence of any here.

In the end, of course, the public interest is best served when justice is done between men; which brings us to Judge Bourquin's eloquent, if somewhat techy tribute to justice in the Lektophone case, quoted by respondent at the apogee of his peroration. Justice, said Bourquin, J. is more than doctrinal principles; it is the substance of which they are the shadows, sometimes distorted. The shadowy distortion of justice that had there moved the doughty judge to righteous protest was the rule of comity: "To change judgment out of mere comity is perversion of judicial function and defeat of justice", he said. But the rule of comity is not involved here, so whether its invocation defeats or furthers justice need not concern us. Besides, what has Marcalus to do with justice? Does justice require that he be allowed to in-

fringe his own patent, on his own invention, which he sold to petitioner at a price, promising to aid his assignee in enforcing rights under it? A strange sort of justice that. Of all people, Marcalus should be the last to infringe, the first to defend this patent. As in a more famous case, instructions which an inventor taught have returned to plague him.

"But in these cases

We still have judgement here; that we but teach
 Bloody instructions, which, being taught, return
 To plague the inventor: this even-handed justice
 Commends the ingredients of our poison'd chalice
 To our own lips. He's here in double trust;
 First, as I am his kinsman and his subject,
 Strong both against the deed; then, as his host,
 Who should against his murderer shut the door,
 Not bear the knife myself."

Macbeth: Act I, scene vii.

Respectfully submitted,

GEORGE E. MIDDLETON,
 Counsel for Petitioner.

October 11, 1945.